

Gerald P. Kennedy (Bar No. 105887)
Zagros S. Bassirian (Bar No. 299581)
PROCOPIO, CORY, HARGREAVES
& SAVITCH LLP
525 B Street, Suite 2200
San Diego, CA 92101
Telephone: 619.238.1900
Facsimile: 619.235.0398

Attorney for Secured Creditors
Neal L. Clements and William E. Ulmer

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

In re:
Sullivan International Group, Inc.

Debtor

Case No. 15-02281-LT11
Chapter 11

**NOTICE OF: (1) PERFECTION OF
SECURITY INTEREST; (2) DEMAND
FOR SEQUESTRATION, AND (3)
OBJECTION TO DEBTOR'S USE OF
CASH COLLATERAL [11 U.S.C. §§363(c)
AND 546(b)]**

(NO HEARING REQUESTED)

TO: The Honorable United States Bankruptcy Judge, the Office of the United States Trustee,
and the Debtor and its Counsel of Record:

PLEASE TAKE NOTICE that secured creditors Neal L. Clements and William E. Ulmer (“Secured Parties”), hereby notifies you that they claim a properly-perfected security interest in all right, title and interest in and to all assets, including goods and equipment, inventory, contract rights, general intangibles, payment intangibles and commercial tort claims, patents, patent rights, trademarks and servicemarks, inventions, copyrights, accounts, contract rights, royalties, license rights, documents, cash, deposit accounts, letters of credit, letters of credit rights and all proceeds thereof (collectively, the “Collateral”), given by the above Debtor Sullivan International Group, Inc. (the “Debtor” or “Borrower”), to secure certain loans (collectively, the “Loans”).

1 **PLEASE TAKE FURTHER NOTICE** that: (a) Secured Parties have a duly perfected
2 security interest in and to the Collateral, including but not limited to all rents, issues, profits,
3 income and proceeds generated by the Collateral which represent Secured Parties' interests in
4 "cash collateral" as defined in 11 U.S.C. §363(a) (the "Cash Collateral"); (b) 11 U.S.C. §363(c)(2)
5 prohibits the use of the Cash Collateral for any purpose without the Secured Parties' consent or the
6 specific authorization of the Bankruptcy Court; and (c) 11 U.S.C. §363(c)(4) requires and Secured
7 Parties hereby demands the sequestration and accounting to Secured Parties of any Cash Collateral.

8 **PLEASE TAKE FURTHER NOTICE** that Debtor is and has been in default on the Loans
9 (collectively, the "Loan Defaults"), and that based upon the Loan Defaults the Loans are now all
10 due and payable, and that other than as may be specifically agreed in writing, Secured Parties
11 object to the Debtor's use of Secured Parties' Cash Collateral, including any use of rents, issues,
12 profits, proceeds or any other income generated from the Collateral, except pursuant to the terms
13 and conditions of a written stipulation, if agreed upon, between Secured Parties, any other secured
14 creditors, and the Debtor submitted to and approved by the Court.

15 DATED: April 10, 2015

PROCOPIO, CORY, HARGREAVES
& SAVITCH LLP

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18 By: /s/ Gerald P. Kennedy
19 Gerald P. Kennedy
20 Zagros S. Bassirian
21 Attorney for Secured Creditors
22 Neal L. Clements and William E. Ulmer
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PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is PROCOPIO, CORY, HARGREAVES & SAVITCH LLP, 525 "B" Street, Suite 2200, San Diego, California 92101. On April 10, 2015, I served the within documents:

• **NOTICE OF: (1) PERFECTION OF SECURITY INTEREST; (2) DEMAND FOR SEQUESTRATION, AND (3) OBJECTION TO DEBTOR'S USE OF CASH COLLATERAL [11 U.S.C. §§363(C) AND 546(B)]**



BY U.S. MAIL by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Diego, California addressed as set forth below. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on the same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.



BY MESSENGER SERVICE by providing the above listed document(s) addressed to the person(s) at the address(es) listed below to a professional messenger service for personal service. *[A declaration by the messenger service to be provided upon request and/or separately filed.]*



(Federal) **BY CM/ECF NOTICE OF ELECTRONIC FILING** by causing such document(s) listed above to be served through this Court's electronic transmission facilities via the Notice of Electronic Filing (NEF) and hyperlink, to the parties and/or counsel who are determined this date to be registered CM/ECF Users set forth in the service list obtained from this Court on the Electronic Mail Notice List. The Case Filing Receipt will be maintained with the original documents in our office.

- Michael D. Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com
- Jeffrey D. Cawdrey jcawdrey@gordonrees.com,
jmydlandevans@gordonrees.com;slemos@gordonrees.com
- James P. Hill Hill@sullivanhill.com,
hawkins@sullivanhill.com;bkstaff@sullivanhill.com;vidovich@ecf.inforuptcy.com;
hill@ecf.inforuptcy.com;millerick@sullivanhill.com

☒ (Federal) I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on April 10, 2015, at San Diego, California.

/s/ Kristina Terlaga

Kristina Terlaga